GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:797
ANSWERED ON:22.11.2002
VIOLATION OF FDI RULES BY FOREIGN COMPANIES
LAXMAN GILUWA;RAM TAHAL CHOUDHARY;RATNA SINGH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) details of the rules & regulation for investment in India by foreign companies;

(b) whether the government have any information about the violation of these rules by some foreign companies;

(c) if so, the names of the foreign companies against which action has been taken for violating the investment rules during the last three years and the basis of the action taken;

(d) the latest position in this regard;

(e) the reasons for unnecessary delay in taking necessary action against those companies; and

(f) if so, the reaction of the Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) : The FDI Policy, guidelines and procedures are published in the form of aManual, which is widely circulated including the Library of the Parliament and is also available in the Website (http://indmin.nic.in).

(b) to (f) : Foreign investors are bound by the terms and conditions of the foreign collaboration approval and relevant Indian laws, including the provisions of Foreign Exchange Management Act, 1999, and Regulations made thereunder. Cases of violation of the terms and conditions of the foreign collaboration approval and/ or relevant Acts/Rules are dealt with by the Administrative Ministries/ Statutory authorities, including the Reserve Bank of India, for taking appropriate action against defaulting companies.